

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

See pg 16

file

Calendar No. 804

93D CONGRESS } 2d Session }	SENATE	{ REPORT No. 93-838
LEGISLATIVE COMMITTEE FILE COPY		
<p>DEPARTMENT OF STATE/USIA AUTHORIZATION ACT, FISCAL YEAR 1975</p> <hr/> <p>REPORT OF THE COMMITTEE ON FOREIGN RELATIONS UNITED STATES SENATE TOGETHER WITH SUPPLEMENTAL VIEWS ON S. 3473 TO AUTHORIZE APPROPRIATIONS FOR THE DEPARTMENT OF STATE AND THE UNITED STATES INFORMATION AGENCY, AND FOR OTHER PURPOSES</p>  <p>MAY 9, 1974.—Ordered to be printed</p> <p>U.S. GOVERNMENT PRINTING OFFICE WASHINGTON : 1974</p>		

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

CONTENTS

	Page
Authorization of appropriations-----	1
Other provisions of the bill-----	2
Committee action-----	3
Committee comments-----	4
Cost estimates-----	4
Section-by-section analysis:	
Sec. 2. Authorization of appropriations-----	5
Sec. 3. Transfer of funds-----	13
Sec. 4. Repeal of the Formosa Resolution-----	14
Sec. 5. Publication of political contributions of certain nominees-----	14
Sec. 6. Travel expenses of student-dependents of Government employees-----	14
Sec. 7. Assignment of Foreign Service officers to public organizations-----	15
Sec. 8. Authority and responsibility of Ambassadors-----	16
Sec. 9. Reorganization of foreign affairs legislation-----	17
Sec. 10. Military base agreements-----	18
Sec. 11. Diego Garcia Agreement-----	19
Sec. 12. International Materials Bureau-----	19
Sec. 13. Annual USIA reports to Congress-----	20
Sec. 14. Review of policy toward Cuba-----	20
Sec. 15. Future of U.S. aid to South Vietnam-----	21
Sec. 16. Reduction of certain personnel assigned abroad-----	21
Sec. 17. Prior authorization required-----	21
Sec. 18. Time extension on reduction in U.S. contribution to certain U.N. agencies-----	23
Changes in existing law-----	23
Supplemental views of Senator Pearson-----	31

(iii)

93D CONGRESS } SENATE } REPORT
2d Session } No. 93-838

STATE DEPARTMENT/USIA AUTHORIZATION ACT,
FISCAL YEAR 1975

MAY 9, 1974.—Ordered to be printed

Mr. SPARKMAN, from the Committee on Foreign Relations,
submitted the following

R E P O R T
together with
SUPPLEMENTAL VIEWS

[To accompany S. 3473]

The Committee on Foreign Relations, having considered the authorization of fiscal year 1975 appropriations for the Department of State and the United States Information Agency, reports an original bill (S. 3473) for that and other purposes, and recommends that the bill do pass.

A U T O R I Z A T I O N O F A P P R O P R I A T I O N S

The primary purpose of the bill is to authorize fiscal year 1975 appropriations for the State Department and the United States Information Agency. The following table shows FY 1974 appropriations in each of the authorization categories of the two agencies, together with the Administration's FY 1975 request and the amounts recommended by the Committee for approval by the Senate:

(1)

	Fiscal year—		
	1974 approp- riation ¹	1975 request ¹	Committee recommendation
I. State Department:			
A. Administration of foreign affairs:			
1. Salaries and expenses.....	\$324,080,000	\$353,500,000	\$347,410,000
2. Emergencies in the diplomatic and consular service.....	2,100,000	2,100,000	2,100,000
3. Payment to Foreign Service retirement and disability fund.....	20,535,000	20,535,000	20,535,000
Total, administration of foreign affairs.....	346,715,000	376,135,000	370,045,000
B. International organizations and conferences:			
1. Contributions to international organizations.....	202,287,000	214,079,000	214,079,000
2. Missions to international organizations.....	5,951,000	6,660,000	6,660,000
3. International conferences and contingencies.....	6,200,000	6,400,000	6,400,000
4. International trade negotiations.....	1,744,000	2,465,000	2,465,000
Total, international organizations and con- ferences.....	216,182,000	229,604,000	229,604,000
C. International Commissions:			
1. International boundary and water commission, United States and Mexico.....	8,395,000	107,007,000	12,432,000
2. American sections, international commissions.....	1,003,000	1,370,000	1,370,000
3. International fisheries commissions.....	3,575,000	4,030,000	4,030,000
Total, international commissions.....	12,973,000	112,407,000	17,832,000
D. Educational exchange:			
1. Mutual educational and cultural exchanges.....	50,587,000	57,500,000	57,600,000
2. Center for Cultural and Technical Interchange between East and West.....	6,969,000	7,414,000	7,414,000
Total, educational exchange.....	57,556,000	64,914,000	65,014,000
E. Migration and refugee assistance (general).....	9,806,000	9,470,000	9,420,000
F. Assistance to Soviet refugees.....	36,500,000		50,000,000
Total, Department of State.....	679,732,000	792,530,000	741,915,000
II. USIA:			
A. Salaries and expenses.....	209,062,000	231,468,000	226,839,000
B. Special international exhibitions.....	10,852,000	6,770,000	6,770,000
C. Acquisition and construction of radio facilities.....	1,000,000	4,400,000	4,400,000
Total, USIA.....	220,914,000	242,683,000	238,009,000
Grand total.....	900,646,000	1,035,213,000	979,924,000

Assuming Congressional approval of fiscal year 1974 supplemental requests.

OTHER PROVISIONS OF THE BILL

In addition to the authorization of appropriations, the bill—

- (1) Reorganizes the annual foreign affairs authorizing legislation beginning in fiscal year 1976.
- (2) Places into law a delineation of the authority and responsibilities of ambassadors.
- (3) Establishes a requirement that Congress approve all significant executive agreements pertaining to U.S. bases abroad.
- (4) Establishes the specific requirement that Congress approve any new executive agreement pertaining to the U.S. base on Diego Garcia.
- (5) Requires certain reductions in U.S. personnel stationed abroad under the jurisdiction of American ambassadors.
- (6) Requires that the Administration submit to Congress a detailed plan for future U.S. economic and military assistance to South Vietnam.
- (7) Calls for a review and reformulation of U.S. policy toward Cuba.

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

- (8) Creates in the State Department a new International Materials Bureau, to be headed by a Director.
- (9) Establishes the requirement that a Foreign Service Officer's career include two years of non-State Department service in state or local government, public schools, or other public organizations.
- (10) Requires publication in the *Congressional Record* of political contributions of all ambassadorial nominees.
- (11) Recalls the Formosa Resolution of 1955.
- (12) Authorizes expenditures for an annual trip to and from schools in the United States for dependents of government employees assigned abroad.

COMMITTEE ACTION

On March 6, Senator Sparkman, by request, introduced S. 3117 and S. 3118, bills to authorize fiscal year 1975 appropriations for the State Department and USIA, respectively. On March 11 and 12, the Committee held public hearings on these bills, at which time the following witnesses were heard:

State Department

Joseph Sisco, Under Secretary for Political Affairs, accompanied by Dean Brown, Deputy Under Secretary for Management, and Seymour Weiss, Director, Bureau of Politico-Military Affairs;

William Casey, Under Secretary for Economy Affairs, accompanied by Dean Brown, Deputy Under Secretary for Management, and Willis Armstrong, Assistant Secretary for Economic and Business Affairs;

William Donaldson, Under Secretary for Coordinating Security Assistance, accompanied by Seymour Weiss, Director, Bureau of Politico-Military Affairs;

USIA

James Keogh, Director, accompanied by Eugene Kopp, Deputy Director;

Gilbert Austin, Assistant Director for the Near East, North Africa, and South Asia;

Dorothy Dillon, Assistant Director for Latin America;

John Shirley, Assistant Director for the Soviet Union and East Europe.

(Accompanying Mr. Shirley, Dr. Dillon, and Mr. Austin were Kenneth Giddens, Director, Voice of America; Robert Scott, Director, Motion Picture Service; Harold Schneidman, Director, Information Center Service; and Lyle Copmann, Director, Press Service.)

American Foreign Service Association

Thomas Boyatt, President, Governing Board, accompanied by Allen Harris, Lois Roth, and Herman Cohen.

On April 2, 9, and 23, in executive session, the Committee considered S. 3117 and S. 3118, and a number of proposed amendments thereto, and during those meetings had two roll call votes.

On April 9, the Committee voted 11-5 to approve an amendment proposed by Senator Case concerning Congressional approval of military base agreements (this amendment now appears as section 10

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

of the bill). Voting in the affirmative were Senators Fulbright, Mansfield, Church, Symington, Pell, Muskie, McGovern, Humphrey, Case, Javits, and Percy; opposed were Senators Sparkman, Aiken, Scott, Pearson, and Griffin.

On April 23, the Committee voted 13-0 to approve an amendment proposed by Senator Javits concerning U.S. policy toward Cuba (this amendment now appears as section 14 of the bill). Voting in favor were Senators Sparkman, Church, Symington, Pell, McGee, Muskie, McGovern, Humphrey, Aiken, Case, Javits, Pearson, and Percy.

On April 23, by voice vote, the Committee determined to merge the bills and to report favorably an original bill.

COMMITTEE COMMENTS

The comments of the Committee with respect to the amounts authorized, as well as the several policy provisions, appear in the section-by-section analysis below. Only two additional points need be made here.

First, as appears in the discussion of the provisions concerning military base agreements (Sec. 10) and the Diego Garcia agreement (Sec. 11), the Committee continues to be concerned over the tendency of the Executive Branch to by-pass Congress in the making of foreign commitments until the United States is so deeply involved that Congressional freedom of action is more limited than would have been the case if Congress had been brought into the process earlier. Specifically, the Committee believes that the agreements concerning clearance of the Suez Canal ought to be submitted to Congress for approval. The magnitude of this undertaking and its potential implications are such that agreements of this kind ought not to be made by the Executive Branch without the approval of Congress.

Second, the Committee expects the Department of State to enforce higher language requirements for lateral entrants into the Foreign Service. The Committee seriously considered amending the bill to provide that no Foreign Service Officer receive more than one promotion until he has demonstrated competence in at least one foreign language. This is the case now, by regulation, for incoming junior officers, but no such requirement has been imposed on those who enter the Service laterally in the higher ranks. The Committee refrained from writing such a requirement into the law on the basis of assurances from the Department that it will be done by regulation. If adequate steps are not taken to enhance the language proficiency of the entire Foreign Service corps, the Committee will be inclined next year to adopt appropriate legislative measures.

COST ESTIMATES

Section 252(a)(1) of the Legislative Reorganization Act of 1970 requires that Committee reports on bills and joint resolutions contain an estimate of the costs of carrying out such legislation in the fiscal year in which it is reported and in each of the five fiscal years which follow.

This bill authorizes appropriations for the regular operating budgets of two agencies, the State Department and USIA, for one fiscal

year, 1975. The total authorized by the bill for the two agencies is \$979,924,000, plus such additional amounts as may be required for mandatory salary and employee benefit increases. Future funding requirements of these agencies may be expected to approximate, in terms of real dollars, those of FY 1975.

In addition, the Office of Management and Budget estimates that the provisions of Section 6 (travel expenses of student-dependents of Government employees overseas) will add approximately \$550,000 a year to the costs of agencies other than the Department of State.

SECTION-BY-SECTION ANALYSIS

Section 2. Authorization of Appropriations. This section authorizes FY 1975 appropriations for the activities of the State Department and the United States Information Agency. Subsection (a) contains five line-item authorizations for State Department appropriations; subsection (b), three line-item authorizations for USIA appropriations; subsection (c), a special authorization for appropriations, to be administered by the State Department, to assist in the resettlement of Soviet refugees; subsection (d), an authorization for any additional appropriations which may be necessary for mandatory increases in salaries, retirement pay, and other employee benefits; and subsection (e), an authorization for certain of the above appropriations to remain available until expended. Details on the nine line-items in subsection (a), (b) and (c) are given below.

Subsection 2(a) (1). Administration of Foreign Affairs (State Department). Included in this item are funds for almost all salaries, expenses and allowances for officers and employees of the State Department, both in the United States and abroad; and also funds needed for mandatory payments to the Foreign Service Retirement and Disability Fund. The following table shows expenditures in this category in FY 1974, the Administration's FY 1975 request, and the Committee's recommendation:

ADMINISTRATION OF FOREIGN AFFAIRS

[In thousands of dollars]

	Fiscal year 1974	Fiscal year 1975 request	Committee recommend- ation	Difference
Salaries and expenses.....	\$324,080	\$353,500	\$347,410	-\$6,090
Emergencies in the diplomatic and consular service.....	2,100	2,100	2,100
Payment to foreign service retirement and disability fund.....	20,535	20,535	20,535
Total.....	346,715	376,135	370,045	-6,090

¹ Assuming congressional approval of administration fiscal year 1974 supplemental request.

The Committee's object in cutting the item for salaries and expenses is to achieve a modest across-the-board reduction in the State Department bureaucracy in Washington and around the world. The Committee noted that the amount requested was intended to provide for an overall increase in FY 1975 of 111 people (of whom 20 would be Americans assigned abroad and 67 would be foreign nationals) to perform additional functions which the Department deems important. The Committee believes, however, that the Department can accomplish

expanded functions of real importance without an increase in the number of personnel. New functions arise continually, and the Committee intends for the Department to accomplish those functions by reallocating rather than expanding its employment of resources. The Committee thus approved a two-percent cut—roughly \$7 million—in the amount requested for "Salaries and Expenses."

Before applying this cut, however, the Committee took into consideration the Department's special funding needs arising from Secretary of State Kissinger's protection by the Secret Service. Normally, Secretaries of State are guarded by the Department's Office of Security, but Dr. Kissinger had Secret Service protection while in the White House and it seems prudent to continue it. This requires reimbursement of the Treasury Department by the State Department in an amount estimated at \$1 million for FY 1975. The Committee therefore added \$1 million to the Administration request before calculating the 2 percent reduction.

In addressing the other two categories within the "Administration of Foreign Affairs" line-item, the Committee allowed the full amount requested. "Payments to the Foreign Service Retirement and Disability Fund" is an expenditure which derives directly from the legal provisions of the Foreign Service retirement system, while expenses under the "Emergencies in the Diplomatic and Consular Services" are concomitant to the conduct of foreign policy.

Subsection 2(a)(2). International Organizations and Conferences (State Department). Included in this item are funds to pay the regularly assessed U.S. share of contributions to the United Nations, its specialized and associated agencies, and a variety of other international organizations; funds for the expenses of U.S. missions to various international organizations and conferences; and funds for the conduct of U.S. trade negotiations. The following table shows appropriations in this category in FY 1974, the Administration's request for FY 1975, and the Committee's recommendation:

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

[In thousands of dollars]

	Fiscal year 1974 ¹	Fiscal year 1975 request	Committee recommend- ation	Difference
Contributions to international organizations.....	\$202,287	\$214,079	\$214,079	-----
Missions to international organizations.....	5,951	6,660	6,660	-----
International conferences and contingencies.....	6,200	6,400	6,400	-----
International trade negotiations.....	1,744	2,465	2,465	-----
Total.....	216,182	229,604	229,604	-----

¹Assuming congressional approval of administration fiscal year 1974 supplemental request.

The first and the major category within this line-item is "Contributions to International Organizations," for which \$214 million is requested to provide for U.S. contributions to the UN and nine specialized agencies, to six inter-American organizations, to six regional organizations (including NATO, SEATO, and the OECD), and to fifteen other international organizations. The amount requested exceeds the FY 1974 expenditure in this category by a net of \$11.8 million, which comprises a *decrease* of \$4.4 million for the UN and *increases* of \$11.7 million for the UN specialized agencies, \$2.1 million

for the inter-American organizations, and \$2.4 million for the regional and other international organizations. The reduction in the assessed U.S. contribution to the UN results from a Congressionally-initiated provision in the State Department Appropriation Act for FY 1973 (Public Law 92-544) which required that beginning in calendar year 1974 the U.S. contribution to the UN and its affiliated agencies be no greater than 25 percent. While the Administration took the necessary steps to comply with this requirement (with three exceptions, which are discussed under Section 18), the increased annual budgets for those organizations mitigated the apparent gain. Following is a table detailing contributions funded through this portion of the "International Organizations and Conferences" line-item:

CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS
[In thousands of dollars]

	Fiscal year—		Increase (+) or decrease (-)
	1974	1975 request	
A. United Nations and specialized agencies:			
1. United Nations	\$63,957	\$59,556	-\$4,401
2. United Nations Educational, Scientific, and Cultural Organization	15,896	19,617	+3,721
3. International Civil Aviation Organization	5,008	5,111	+103
4. World Health Organization	28,834	31,729	+2,895
5. Food and Agriculture Organization	13,151	13,548	+397
6. International Labor Organization	8,709	11,284	+2,575
7. International Telecommunication Union	1,483	792	-691
8. World Meteorological Organization	1,234	1,571	+337
9. Intergovernmental Maritime Consultative Organization	117	145	+28
10. International Atomic Energy Agency	5,422	7,779	+2,357
Subtotal	143,811	151,132	+7,321
B. Inter-American organizations:			
1. Inter-American Indian Institute	62	62	0
2. Inter-American Institute of Agricultural Sciences	3,475	3,737	+262
3. Pan American Institute of Geography and History	581	195	-386
4. Pan American Railway Congress Association	15	15	0
5. Pan American Health Organization	12,650	13,897	+1,247
6. Organization of American States	22,290	23,217	+927
Subtotal	39,073	41,123	+2,050
C. Regional organizations:			
1. South Pacific Commission	338	398	+60
2. North Atlantic Treaty Organization	8,427	9,896	+1,469
3. North Atlantic Assembly	111	120	+9
4. Southeast Asia Treaty Organization	415	450	+35
5. Colombo Plan Council for Technical Cooperation	9	10	+1
6. Organization for Economic Cooperation and Development	8,321	8,970	+649
Subtotal	17,621	19,844	+2,233
D. Other international organizations:			
1. Interparliamentary Union	71	75	+4
2. International Bureau of the Permanent Court of Arbitration	2	2	0
3. World Intellectual Property Organization	36	40	+4
4. International Bureau for the Publication of Customs Tariffs	26	27	+1
5. International Bureau of Weights and Measures	142	155	+13
6. International Hydrographic Bureau	19	20	+1
7. International Wheat Council	48	0	-48
8. International Coffee Organization	281	320	+39
9. International Institute for the Unification of Private International Law	18	16	-2
10. Hague Conference on Private International Law	17	19	+2
11. Maintenance of Certain Lights in the Red Sea	4	4	0
12. International Bureau of Exhibitions	9	9	0
13. Customs Cooperation Council	644	807	+163
14. International Center for the Study of the Preservation and Restoration of Cultural Property	91	71	-20
15. International Organization for Legal Metrology	39	18	-21
16. International Agency for Research on Cancer	335	397	+62
Subtotal	1,782	1,980	+198
Total	1,202,287	214,079	+11,792

The second category within this line-item is "Missions to International Organizations," for which \$6.6 million is requested to fund U.S. Missions to various international organizations such as the United Nations, the Organization of American States, and the Food and Agriculture Organization, as well as the costs of U.S. participation in interparliamentary conferences.

The third category within this line-item is "International Conferences and Contingencies," for which \$6.4 million is requested to pay for U.S. participation in international conferences (travel, per diem, and administrative costs) and for U.S. contributions to so-called new or provisional international organizations. Of the conferences for which U.S. participation is funded through this category, approximately half are meetings of the United Nations and its specialized agencies; the other half are meetings of regional organizations, commodity groups, and specialized bodies dealing with a variety of economic, political and scientific matters. Of particular importance in this category is U.S. participation in the Vienna negotiations on Mutual Balanced Force Reductions. Under the contributions portion of this category, payments are made for the U.S. share of operating expenses of such organizations as the Central Treaty Organization and the General Agreement on Tariffs and Trade (GATT).

The fourth category within this line-item is "International Trade Negotiations," for which \$2.5 million is requested to pay for U.S. participation in the special GATT negotiations which began in Geneva in late 1973. These funds will pay the salaries and administrative expenses of a permanent 52-member staff, as well as the logistical expenses of other delegates who may attend periodically.

Subsection 2(a)(3). International Commissions (State Department). Included in this item are funds to pay U.S. expenses in certain international commissions through which the United States cooperates with other nations (principally Mexico and Canada) in efforts to preserve common resources, protect life and property, maintain boundary areas, and preserve and improve fisheries resources. For this item, the following table shows FY 1974 appropriations, the Administration's FY 1975 request, and the Committee's recommendation:

INTERNATIONAL COMMISSIONS

[In thousands of dollars]

	Fiscal year 1974	Fiscal year 1975 request	Committee recommend- ation	Difference
International Boundary and Water Commission, United States and Mexico	\$8,395	\$107,007	\$12,432	-\$94,575
American Sections, International Commissions	1,003	1,370	1,370	-----
International Fisheries Commissions	3,575	4,030	4,030	-----
Total	12,973	112,407	17,832	-\$94,575

The first category, "International Boundary and Water Commission, United States and Mexico," provides funds both for salaries and routine expenses of the Commission and for Commission projects undertaken to solve problems arising on the United States-Mexico boundary. Such projects include the Lower Rio Grande Flood Control Project, the Settlement of Boundary Disputes Project, and the

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Tijuana Flood Control Project. In its request for FY 1975, the Administration included in this category a sum of \$94,575,000 for the International Salinity Control Project, which is to be carried out pursuant to a United States-Mexico agreement signed in 1973. The Committee notes that the salinity agreement is a matter of fundamental importance to U.S. relations with Mexico, and the Committee is gratified that the project is to be undertaken. The Committee notes further, however, that a slight legislative complication has arisen because the Administration has submitted to the Congress two draft bills authorizing project funds; the second bill (S. 3094) is currently being considered by the Interior Committee. Because of this duplication and because of the massive scale of the contemplated project, the Committee decided to omit this element from the bill, in expectation that the Interior Committee will exercise full and adequate oversight of this large construction expenditure. The Foreign Relations Committee wishes to emphasize that these funds were deleted for reasons of legislative procedure and that the Committee stands in full support of the successful completion of this project.

The second category within this line-item, "American Sections, International Commissions," provides funds for two United States-Canadian commissions: the International Boundary Commission, which maintains markers and clears vegetation along the boundary, and the International Joint Commission, which supervises industrial and commercial activity affecting the quality and level of boundary waters.

The third category within this line-item, "International Fisheries Commissions," provides funds for scientific studies conducted by a number of regional fisheries commissions on the fish resources for which they are responsible. Based upon these studies, the various commissions recommend conservation measures to member governments.

Subsection 2(a)(4). Educational Exchange (State Department). Included in this line-item are funds for activities conducted under the Mutual Educational and Cultural Exchange Act and for the operation of the Center for Cultural and Technical Interchange between East and West in Hawaii. For this item, the following table shows FY 1974 appropriations, the Administration's FY 1975 request, and the Committee's recommendation:

EDUCATIONAL EXCHANGE				
[In thousands of dollars]				
	Fiscal year 1974 ¹	Fiscal year 1975 request	Committee recommend- ation	Difference
Mutual educational and cultural exchange activities—	\$50,587	\$57,500	\$57,600	+\$100
Center for Cultural and Technical Interchange between East and West	6,969	7,414	7,414	-----
Total	57,556	64,914	65,014	+\$100

¹ Assuming congressional approval of administration fiscal year 1974 supplemental request.

In the first category, which is administered by the Department's Bureau of Educational and Cultural Affairs, the major activity is the exchange-of-persons program. This program, which has been strongly supported by the Foreign Relations Committee for many

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

years, involves both the actual conduct of international exchanges and also continuing efforts to stimulate non-governmental activity in the exchange field. Most participants in both sponsored and stimulated exchange activities are foreign nationals who come to this country for periods ranging from several weeks to a year or more. The majority who come for short visits are professional and political leaders, while those who come for longer periods are usually participants in scholarly programs.

The second category contains funds for the East-West Center in Hawaii, which was established by Congress in 1960 as a focal point for private and government-sponsored activities promoting increased educational and cultural exchange between the United States and the nations of Asia and the Pacific.

As the Committee has consistently supported activities carried out with funds in this line-item, it is pleased to approve, and to endorse strongly, the Administration's request. The Committee is gratified that the Department continues to expand the exchange program, if only gradually, and urges the Department to make every effort to develop useful additional programs and activities in the exchange field. One such additional activity which the Department might, with adequate funds, be able to support was brought to the Committee's attention by Senator Griffin, who advised Committee Members of the invitation extended to the World Youth Symphony Orchestra of the National Music Camp to perform in Australia at the XIth International Conference of the International Society for Music Education. Although the Department's criteria for the selection of exchange activities would not normally allow for financial support of a pre-college group on such a trip, the Committee was persuaded that this particular activity would have special merit and was deserving of support under the Department's exchange program. Therefore, to provide funds for this purpose, the Committee approved an additional \$100,000 in its recommendation in the exchange category.

Subsection 2(a)(5). Migration and Refugee Assistance (State Department). Included in this item are funds for a variety of programs which assist international refugees and migrants. Some of these funds are used as contributions to standing agencies, such as the International Committee of the Red Cross, the Intergovernmental Committee for European Migration, and the UN High Commissioner for Refugees. Other funds are used to support a variety of voluntary agencies and religious and ethnic groups engaged in refugee assistance. Funds provided under this category are administered by the Special Assistant to the Secretary for Refugee and Migration Affairs, who also administers the Soviet refugee program for which funds are authorized in subsection 2(c) of this bill. The following shows the FY 1974 appropriation in this category, the Administration's FY 1975 request, and the Committee's recommendation:

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9
Migration and refugee assistance

Fiscal year 1974 ¹	\$9,806
Fiscal year 1975 request	9,470
Committee recommendation	9,420
Difference	50

¹ Assuming congressional approval of fiscal year 1974 supplemental request.

In the Administration's request for this item for FY 1975, the Department specified that \$50,000 of the amount requested would be used as a contribution to the International Committee of the Red Cross (ICRC). Discussing this portion of the request, the Committee noted that the Department's FY 1974 supplemental legislation (H.R. 12466), now pending, contains a Congressionally-initiated section providing a permanent authorization for an annual \$500,000 contribution to the ICRC, effective beginning in FY 1974. Though H.R. 12466 has not been enacted as of the filing of this report, the section of the bill containing the ICRC authorization has been approved by both Houses. Therefore, in anticipation of the enactment of this provision, the Committee deleted the \$50,000 contained in the Administration's FY 1975 request. With passage of the permanent authorization, an annual authorization for the ICRC contribution will no longer be necessary; the Department should nevertheless continue to include the contribution in its annual presentation materials, so that the foreign affairs committees may review the Department's refugee program in its entirety.

Subsection 2(b)(1). Salaries and Expenses (USIA). Included in this item are funds for almost all of USIA's programs and activities: press and publications, motion pictures and television, centers and related activities, and radio broadcasting. Because many Agency personnel are engaged in activities which support more than one function, it is not possible to assign exact expenditure levels to any one functional area. At the Committee's request, however, the Agency has prepared an estimated breakdown of the \$231 million "Salaries and Expenses" request. According to this estimate, the Agency's functions would be funded in FY 1975 as follows:

Press and Publications would receive \$49 million, for activities which include the production and dissemination of Agency publications and the effort to encourage accurate and favorable coverage of the U.S. in the foreign press.

Motion Pictures and Television would be allocated \$25 million, principally for the production and acquisition of a variety of films which are made available to various groups and television stations around the world.

Centers and Related Activities would receive \$87 million, for the operation of overseas information centers and reading rooms, support for binational centers (which are cultural institutions sponsored jointly by USIA and host countries), the dissemination

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

of books about American life, and overseas support for the State Department's cultural exchange program.

Radio Broadcasting would receive \$70 million, to be used for all activities, other than broadcast facility maintenance, surrounding the operation of the Voice of America broadcasting system.

The following shows the FY 1974 appropriation for this item, the Administration's FY 1975 request, and the Committee's recommendation:

<i>Salaries and expenses</i>	
[In thousands of dollars]	
Fiscal year 1974 ¹	209, 062
Fiscal year 1975 request	231, 468
Committee recommendation	226, 839
Difference	-4, 629

¹ Assuming Congressional approval of the administration's fiscal year 1974 supplemental request.

The Committee's action in regard to this item was based upon its intent, described earlier in this report, to achieve a modest across-the-board reduction in the State/USIA bureaucracy in Washington and in the number of personnel assigned to U.S. embassies abroad. In keeping with its action reducing the State Department's "Salaries and Expenses" request by two percent, the Committee applied a similar cut to this request for USIA "Salaries and Expenses." The Committee does not intend that any portion of this reduction be applied to the Voice of America.

Subsection 2(b)(2). Special International Exhibitions (USIA). This item provides funds for various international exhibitions undertaken by authority of the Mutual Educational and Cultural Exchange Act. Funds for the program are appropriated to the Agency on a no-year (available until expended) basis and may be allocated in part to other agencies for the conduct of collateral activities.

The current program focuses upon East Europe, the Soviet Union, and Berlin, where exhibitions are conducted featuring various aspects of American life and culture. According to the Agency, these exhibitions generate extensive local coverage in the press and on radio and television. The FY 1975 program, for which \$6.8 million is requested, will include six exhibitions at international fairs in Berlin and East Europe; four showings in the Soviet Union of a new traveling exhibition; and 13 reshewings in East Europe of previously prepared exhibitions. In addition, the Department of Labor, using funds from this account allocated by the Agency, will conduct seminars and exhibits in a number of the cities around the world. The following table shows the FY 1974 appropriation in this category, the Administration's request for 1975, and the Committee's recommendations:

<i>Special international exhibitions</i>	
[In thousands of dollars]	
Fiscal year 1974 ¹	10, 852
Fiscal year 1975 request	6, 770
Committee recommendation	6, 770
Difference	

¹ Assuming Congressional approval of fiscal year 1974 supplemental request.

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Subsection 2(b)(3). Acquisition and Construction of Radio Facilities (USIA). This item provides funds on an available-until-expended basis for use by the Agency in maintaining, and when possible improving, the capabilities of the VOA broadcasting system. The FY 1975 request of \$4.4 million comprises \$2.8 million for the improvement of relay stations in California and \$1.6 million for the continuing general program of research, improvement and repair of all existing facilities. The following table shows the FY 1974 appropriation in this category, the Administration's FY 1975 request, and the Committee's recommendation:

Acquisition and construction of radio facilities (USIA)

[In thousands of dollars]

Fiscal year 1974	1,000
Fiscal year 1975 request	4,400
Committee recommendation	4,400
Difference	0

Subsection 2(c). Aid to Soviet Refugees (State Department). In September 1971 the rate of migration of Soviet Jews to Israel increased markedly; and since that time 85,000 Soviet Jews have resettled in Israel. To date, Congress has appropriated \$86.5 million to assist in this resettlement: \$50 million in FY 1973 and \$36.5 million in FY 1974, funds authorized through Congressionally-initiated amendments to the annual State Department authorization bill. This subsection, initiated by Senator Muskie, would continue this program with a \$50 million authorization for FY 1975—to be administered, as heretofore, by the Department's Office of Refugee and Migration Affairs.

In discussing this amendment, the Committee considered allegations that the assistance program for Soviet migrants to Israel is, in some cases, providing special benefits and advantages to aid recipients. Committee Members agreed that the resettlement assistance program should be directed solely toward providing resettlement facilities for Soviet migrants comparable to the facilities available to other migrants to Israel, and the Committee therefore wishes to emphasize its concern that funds authorized by this subsection not be used in any way which provides preferred status or facilities to persons migrating from the Soviet Union.

Section 3. Transfer of Funds. This section allows the Administration a certain degree of flexibility in expending the appropriations authorized under Section 2, by authorizing the President, if he deems it necessary, to transfer funds from one authorization category to another. This transfer authority is limited, however, to transfers which do not result in an increase or a decrease of funds in any one category in excess of five percent of the funds originally appropriated in that category. If the President intends to exercise this authority, he must—at least 15 days before any such transfer—send notification and explanation to the Speaker of the House and the Senate Foreign Relations Committee. The Committee also expects to receive quarterly reports on what has actually been done under this section.

Section 4. Repeal of the Formosa Resolution. This section repeals the Formosa Resolution of 1955, a joint resolution enacted as a demonstration of support for the President and for Taiwan during a period of tension which occurred in that year. The Resolution, which remains in effect even today, authorizes the President to employ the armed forces of the United States as he deems necessary to protect Formosa and the Pescadores, an island group just off the southeast corner of mainland China.

In October of 1971 the Foreign Relations Committee voted in favor of repealing the Resolution and the repealer was reported from the Committee as an amendment to the Foreign Assistance Act of 1971. The Committee viewed the repeal as a kind of legislative housekeeping, removing from the law a special grant of authority and support for the President made under circumstances which no longer existed. Prior to taking its action, the Committee had solicited the Administration's position, and the Department of State had expressed the Administration's view of the Formosa Resolution as follows:

We would not look upon the resolution as legal or constitutional authority for either contingency planning or the actual conduct of our foreign relations.

Even more clearly, Secretary of State William Rogers had declared explicitly that the Department had no objection to the repeal of the Resolution. Coincidentally, however, while the bill containing the repealer was on the floor of the Senate, the UN voted to seat the People's Republic of China and to expel the Republic of China; and many Senators felt that it would have an undesirable impact if the UN's action were to be followed so suddenly by a Senate action which could be construed as a wavering of U.S. support for Taiwan. Thus, a move to strike the repealer succeeded by a vote of 43-40.

In the Committee's view, recent Congressional action in enacting War Powers legislation renders the case for repeal of the Formosa Resolution even more cogent, and the Committee believes that sufficient time has now elapsed to allow reconsideration of this measure in a less dramatic context. The resolution has long since become obsolete and ought to be repealed in the interest of orderly procedure.

Section 5. Publication of Political Contributions of Certain Nominees. The State Department Appropriations Authorization Act of 1973 requires that, in conjunction with each ambassadorial or ministerial nomination, the Committee on Foreign Relations and the Speaker of the House be sent a full report of the political contributions made by the nominee and his family during the prior four years. This year, at the initiative of Senator Pell, the Committee discussed ways in which that information could systematically be made available to the public. This section embodies the Committee's decision: it places responsibility upon the Chairman of the Foreign Relations Committee to see that each of the aforementioned reports is printed in the *Congressional Record*. The requirement is to apply only to reports received subsequent to enactment of this Act.

Section 6. Travel Expenses of Student-Dependents of Government Employees. Under present law, Foreign Service dependents who are separated from their families in order to attend secondary school or

college in the United States are permitted government travel to visit their parents stationed abroad only once every four years (once during high school and once during college). At this year's hearings, the president of the American Foreign Service Association testified that—

recent studies done by outside consultants for the Foreign Service Educational Counselling Center * * * indicate that special strains and hardships are imposed upon many Foreign Service children because of constant moving, loss of friends, lack of ties to their American cultural roots, and above all, separation from their families in order to obtain a decent education. * * * The majority of other governments have long since solved this problem for their Foreign Service employees by providing for a minimum of one annual trip for dependent students.

This section, initiated by Senator Pell, would provide for that annual trip for American Foreign Service dependents and for the student-dependents of all other U.S. Government employees stationed abroad. For the Department of State, the annual cost of this provision will be an additional \$250,000, drawn from the Department's "Administration of Foreign Affairs" account. For the entire Government, the Office of Management and Budget estimates that the total additional annual cost will approximate \$800,000. The State Department supports this amendment.

Section 7. Assignment of Foreign Service Officers to Public Organizations. This section, sponsored by Senator Pearson, is intended to improve the quality of the Foreign Service Officer corps by diversifying each Foreign Service Officer's career. At present, Foreign Service duty is generally limited to assignments in U.S. embassies abroad and in the State Department in Washington, and it is rare that a Foreign Service Officer has either the opportunity or the incentive to spend any period of time outside the narrow functional "cone" through which he advances in rank and importance. This section is intended to provide a period of two years—sometime between each officer's eighth and 15th years of service—during which he may and will, without jeopardy to his career, step outside the cone and into an entirely different kind of activity that will broaden his perspective and enhance his sensitivity to the nation he serves. As Senator Pearson stated in introducing this proposal as S. 2944 in February of this year:

It is vital that the men and women who represent the United States and help formulate and execute its foreign policy remain in touch with their own country and its people. This is no idle, populist statement; it has a sound basis in principle.

Assignment of an officer under the provisions of this section would be made on a non-reimbursable basis to a state or local government, to the faculty of a public school or community college, or to some other public organization, as designated by the Secretary of State, in which the officer could serve constructively at a grassroots level.

In considering this proposal, the Committee noted that the Secretary already may, under existing authority, assign Foreign Service Officers to duty elsewhere in the Federal Government and also to duty

in international organizations. The Committee feels, however, that such service does not necessarily constitute a real break from Foreign Service duty. The Committee recognized that the Department has in the past requested an expansion of this authority to allow the assignment of officers to state and local governments; but Committee Members expressed doubt that such authority alone would result in the Department incorporating into its personnel assignment practices the kind of "other-service sabbatical" system which this section envisions. Foreign Service Officers, like military officers, regard a period of duty away from the mainstream as a potential hazard on the path of promotion, and are therefore generally reluctant to seek or accept such assignments. Under present circumstances, the Committee recognizes, such concern is not without foundation; and the Committee believes that only a mandatory system, affecting all officers, can remove the inequalities and apprehensions currently associated with assignments outside the traditional advancement pattern.

The Committee would not expect the initiation of this system to lead to requests from the Department for sizeable numbers of additional personnel, either on the grounds that such personnel were needed to run the system or that such additional personnel were necessary to replace losses resulting from the detailing of Foreign Service personnel on the assignments provided for by this amendment.

The Committee believes that the practice of making two-year other-duty assignments can be incorporated into the Department's management procedures with very little, if any, additional administrative manpower; and as for the losses incident to the adoption of this system, the Committee believes that the Department's effectiveness may very well benefit, rather than suffer, from a slight thinning of the ranks in the Washington bureaucracy. The Committee points out that there is nothing in this section which would restrict the Secretary in a time of need. A waiver provision has been included which would, for example, allow the Secretary to exempt from this procedure an officer who might be due for such assignment but who, for reasons of talent and circumstances, might be badly needed in Washington or elsewhere.

Section 8. Authority and Responsibility of Ambassadors. This section, initiated by Senators Muskie and Case, enacts into law what has heretofore had only the force of executive directive. It formally vests in each American Ambassador to a foreign country full responsibility for the activities of all U.S. Government employees assigned to duty in that country, except personnel under the command of a United States area military commander. The section also contains a complementary provision which charges each agency having personnel in a foreign country with the responsibility of seeing that those personnel are responsive to the Ambassador and that the Ambassador is kept fully informed of their activities. It thus imposes a mutual responsibility upon the Ambassador to seek information and to exercise command, and upon others to provide information and to respond to his directives.

The provisions of this section are consistent with, and are in part derived from, President Nixon's letter concerning ambassadorial responsibilities which was sent to all ambassadors in December of 1969 and which was similar to a previous letter sent by President Kennedy.

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Section 5. Reorganization of Foreign Affairs
current practice, the Congress deals each year with a variety of authorizing bills relating to foreign affairs:

- (a) State Department.
- (b) United States Information Agency.
- (c) Radio Free Europe/Radio Liberty.
- (d) Bilateral Economic Aid.
- (e) Military Aid.
- (f) Various bills relating to International Financial Institutions (International Development Association, Asian Development Bank, etc.).
- (g) Peace Corps.
- (h) Foreign Service Buildings (every two years).
- (i) ACDA (every two years).

This section, initiated by Senator Percy, would require that beginning in FY 1976 the Administration submit these authorization requests in three bills in a more logically structured format, as shown below:

I. Foreign Affairs:

A. Administration of Foreign Affairs:

- 1. State Department Administration (the existing "Administration of Foreign Affairs" line item in the State Department bill).
- 2. ACDA (now a separate biennial bill).
- 3. Foreign Service Buildings (now a separate biennial bill).

B. International Organizations, Conferences, and Commissions (which would combine two existing line items in the State bill—"International Organizations and Conferences" and "International Commissions").

C. Information and Cultural Exchange:

- 1. USIA (now a separate bill).
- 2. Educational Exchange (now a line item with the same title in the State Department bill).
- 3. RFE/RL (now a separate bill).

II. Foreign Economic Aid:

A. Bilateral Aid:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- etc.

All of the line items now in the economic aid bill except those pertaining to voluntary contributions to international organizations.

B. Multilateral Aid:

- 1.
- 2.
- 3.
- 4.
- etc.

All requests for contributions to international financial institutions; plus voluntary contributions to international organizations, which are now carried in the economic aid bill.

C. Peace Corps (now a separate bill).

D. Migration and Refugee Assistance (now a line item with the same title in the State Department bill).

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

III. Foreign Military Aid:

- A. Grant Assistance (the existing line item).
- B. Credit Sales (the existing line item).
- C. Supporting Assistance (the existing line item).

The case for this reorganization of authorizing legislation is straightforward: it will enable the two foreign affairs committees, and the Congress as a whole, to deal with legislation which is more rationally structured than the potpourri which exists at present. In designing this new format, the Committee has taken care not to create complications for the House and Senate Appropriations Committees; thus, the line items in the reorganized authorizing format are consistent with existing appropriations categories. The Committee emphasizes that nothing in the new format should be interpreted as having any implications concerning the institutions—or the relationship among institutions—whose budgets are authorized by this legislation. The new format could in fact be adopted without any change in current executive branch procedures, simply by the Committee reorganizing the Administration's draft bills once they have been submitted each year. However, the Committee hopes, through the provisions of this section, to involve the executive branch in a cooperative way in the adoption of a new approach which the Committee believes will contribute to a more effective legislative procedure in the field of foreign affairs.

Section 10. Military Base Agreements. During 1969 and 1970, the Committee's Subcommittee on U.S. Security Agreements and Commitments Abroad, chaired by Senator Symington, made an exhaustive study of the foreign policy implications of U.S. military installations abroad. The report of that subcommittee stressed the significance of U.S. basing arrangements:

Overseas bases, the presence of elements of United States Armed Forces, joint planning, joint exercises, or extensive military assistance programs represent to host governments more valid assurances of United States commitment than any treaty or agreement. Furthermore, any or all of the above instances of United States military presence all but guarantee some involvement by the United States in the internal affairs of the host government.

In November 1968, the then Chairman of the Joint Chiefs of Staff, General Earle Wheeler, in a statement delivered in Madrid to representatives of the Spanish General Staff, formulated better than any statement by the Subcommittee the concept being discussed here. At that time General Wheeler said, in a statement previously cleared by both the State and Defense Departments, that the presence of United States troops on Spanish soil represented a stronger security guarantee than anything written on paper. (Report to the Committee on Foreign Relations, United States Senate, by the Subcommittee on Security Agreements and Commitments Abroad, December 21, 1970, pages 20-21.)

Recognizing the far-reaching foreign policy significance which attaches to U.S. bases abroad, the Foreign Relations Committee has in

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

recent years initiated a number of measures designed to require Congressional approval of executive agreements relating to those bases. In the Committee's view, the drafters of the Constitution intended that all major agreements with foreign countries be treaties, subject to Senate approval; but because extensive reliance in modern times upon executive agreements has heavily undercut this original design, the Committee has supported corrective legislation to redress the balance and restore the participatory role of Congress. The Committee has continued to reject the argument that appropriations bills afford Congress an ample opportunity to express its view implicitly on matters of foreign policy, because the Committee believes that Congress should address itself explicitly to major questions of foreign policy.

This section, initiated by Senator Case, is intended to restore the participation of Congress in certain agreements with foreign nations by requiring that Congress approve any military base agreement between the United States and a foreign country before funds can be expended to carry out the agreement. According to the provisions of this section, if an agreement took the form of an executive agreement, then Congress would express its approval by law; if the agreement took the form of a treaty, then the Senate would approve as specified in the Constitution. The approval requirement would apply whenever an agreement was created, extended or significantly modified; but it would not apply to agreements involving bases with fewer than 500 personnel, nor would it affect existing agreements unless they were to be significantly modified in the future.

Section 11. Diego Garcia Agreement. This section, also initiated by Senator Case, represents the application, to a specific case, of the principle upon which the previous section is based. It establishes the requirement that Congress approve by law any new agreement between the United States and the United Kingdom relating to the U.S. base on Diego Garcia in the Indian Ocean. Among Committee Members, there is a considerable diversity of view concerning the need for an expanded U.S. presence in the Indian Ocean, but the Committee is united in the view that Congress should approve whatever policy is to be pursued. There is, on the one hand, a question of policy and, on the other, a question of how policy is made. While reserving judgment on the policy issue itself, the Committee believes strongly that Congress should be integrally involved in the process by which U.S. policy is established in this important area of the world.

Section 12. International Materials Bureau. This section, sponsored by Senator McGovern, establishes within the State Department a new International Materials Bureau to be headed by a Director. There is also created a 15-Member Advisory Committee, to be appointed by the Secretary of State.

The functions of the Bureau will be to review on a continuing basis (1) the supply, demand, and price, throughout the world, of basic raw and processed materials (including agricultural commodities), and (2) the effect of United States Government programs and policies (including tax policy) in creating or alleviating shortages.

The Bureau is also to submit to Congress and the President (1) a monthly report on data relevant to U.S. policy regarding important basic materials, and (2) an annual report recommending changes in

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9
the materials policies of the U.S. Government or of domestic, foreign or multilateral institutions.

The Committee recognizes that the Department's Bureau of Economic and Business Affairs already has within it several offices dealing with subjects in the envisioned domain of the new International Materials Bureau; however, in view of recent obvious inadequacies in the predictive and planning capabilities of the U.S. Government in the area of food and raw materials, the Committee believes that these functions must be elevated and strengthened. The Committee anticipates that the Secretary of State, in carrying out the provisions of this section, will find it appropriate to use the existing offices as the basis for the new Bureau. The Economic and Business Affairs Bureau (minus the shifted offices) and the new Bureau could then reside on a generally equal basis in the Department hierarchy, with both Bureaus responsible to the Under Secretary for Economic Affairs.

Section 13. Annual USIA Reports to Congress. Since its inception, USIA has been required by law to submit a semi-annual report for the purpose of keeping Congress informed of its activities. This year the Agency, in its draft legislation, requested that the reporting requirement be changed so as to become annual. In considering this request, the Committee noted that Congress originally established the report requirement at a time when the annual authorizing process for USIA had not yet been adopted. Because the authorization procedure now provides for a thorough annual review of the Agency's activities by the Senate Foreign Relations and House Foreign Affairs Committees, the Committee acknowledged that the need for semi-annual reports has been largely eclipsed, and in this light, discussed whether or not any reporting requirement was warranted. The Committee decided, however, to retain an annual report so that there may continue to be a ready reference for Members of Congress and for the public. The Committee noted that the annually-revised USIA publication, "The Agency in Brief," also serves such a function, and calls upon the Agency to consolidate "The Agency in Brief" with the now-annual report to Congress.

Section 14. Review of U.S. Policy toward Cuba. This section declares it to be the sense of the Congress that the time has come for the United States Government—both the Executive branch and the Legislative—to review U.S. policy toward Cuba and to develop a new policy based upon current circumstances. The issue was raised in the Committee's executive session by Senator Pell, who has introduced legislation to repeal the Cuban Resolution of 1962; and Senator Javits responded by proposing the language of this section.

The section states that the new policy toward Cuba should include "(1) recognition of the traditional friendship of the people of the United States and the people of Cuba; (2) the security of the Americas; (3) the work of the Organization of American States; and (4) the aspirations of the peoples of the Americas respecting self-determination and individual human rights."

The Committee intends to hold hearings on the subject of U.S. policy toward Cuba.

Section 15. Future of United States Aid to South Vietnam. This section, sponsored by Senator Humphrey, requires that the Secretary of State develop, and present to Congress, a detailed plan for future U.S. economic and military assistance to the Government of South Vietnam. Each year, for many years now, Congress has been asked to appropriate large sums for aid to South Vietnam, on the rationale that a reduction in U.S. aid at that particular moment would have disastrous consequences for Vietnam's future and for U.S. policy in Indochina. Unfortunately, as the record shows, each such critical moment has inexorably been followed by still another. This section requires "a specific timetable for the phased reduction of such assistance to the point when the United States will cease to be the principal source of funds and material for South Vietnam's self-defense and economic viability." The plan is to be submitted within 120 days.

This section also states that Congress "has the right to determine ultimately the financial commitments of the United States and to determine periodically whether such commitments are in the national interest.

Section 16. Reduction of Certain Personnel Assigned Abroad. As described earlier, the Committee acted upon this bill with the intent of inducing a slight belt-tightening throughout the foreign affairs establishment. The reductions made in subsection 2(a)(1) and 2(b)(1) in the State Department and USIA budgets will require modest cuts in the number of personnel of those agencies in Washington and abroad. This section, initiated by Senators Church and Case, requires that complementary reductions be made in the number of overseas personnel of other agencies.

Subsection (a) of section 16 relates to all personnel other than volunteers in the Peace Corps and personnel in the State Department, the Defense Department, the U.S. Information Agency, and the Central Intelligence Agency; and requires that the total number of such personnel as of January 1, 1974, be reduced by 2 percent by June 30, 1975. The following table, derived from data supplied by the State Department, shows the levels of personnel affected by this subsection.

Overseas personnel strengths as of January 1, 1974

Agency for International Development	3,421
National Aeronautic and Space Administration	482
Justice Department	376
Peace Corps (nonvolunteers)	343
Agriculture Department	185
Treasury Department	151
Transportation Department	133
Commerce Department	59
Health, Education, and Welfare Department	23
ABMC/AEC/EPA/EXIM ¹	87
NSF/SMITH/TVA/VA ²	45
GSA/ILUD/Interior ³	15
Total	5,320

¹ American Battle Monuments Commission, Atomic Energy Commission, Environmental Protection Agency, Export-Import Bank.

² National Science Foundation, Smithsonian Institute, Tennessee Valley Authority, Veterans' Administration.

³ General Services Administration, Department of Housing and Urban Development, Department of the Interior.

The Committee emphasizes that subsection (a) does not require a 2 percent cut in each of the above categories, but rather an overall cut of 2 percent in the total number—in other words, a reduction of 106 people, to be made as the Administration determines. The Committee, of course, recognizes that many of the personnel enumerated in the table above are performing roles necessary to the effective conduct of American foreign policy. But members of the Committee, drawing upon their collective experience in travel and observation abroad, are almost unanimously agreed that there is an excess of such personnel at overseas posts, and believe that requiring a small overall cut constitutes an effective means of addressing this problem. Such a requirement will focus the attention of the State Department and the Office of Management and Budget upon the question of overseas staffing, will necessitate an evaluation of the many elements in current U.S. representation abroad, and finally, will allow the Administration flexibility in making a determination as to where genuine economies can be achieved. The Committee has no doubt that a worldwide reduction of just over 100 people can be accomplished without the loss of needed functions and, moreover, believes it likely that the effectiveness of our representation abroad may even be enhanced by a modest paring of staff. The Committee expects that the Administration will keep it informed of decisions made in carrying out the requirements of this subsection.

Subsection (b) of section 16 relates to U.S. personnel, both military and civilian, engaged overseas in military assistance and military attaché activities; and requires that the total number of such personnel as of January 1, 1974, be reduced by 10 percent by June 30, 1975. This provision applies to all personnel serving in Defense Attaché Offices, Military Assistance Advisory Groups, Military Missions, Military Groups, Technical Assistant Field Teams (TAFTs), and any other military assistance activities regardless of nomenclature. As of January 1, 1974, according to data supplied by the Defense Department, there were 3,723 such persons. By the requirement of subsection (b), this total number must be reduced by 372 by June 30, 1975, with the reductions to be made as the Administration determines.

In considering this amendment, the Committee noted that the Administration, in its strength projections for FY 1975, has already planned cuts of 243 persons in regular assistance activities alone and is seeking to make still further cuts during FY 1975. Thus the cut of 372 required by this subsection—which includes, in addition, attaché and TAFT personnel and which does not have to be accomplished until the beginning of FY 1976—would not appear to necessitate reductions beyond those which might otherwise be made. The Committee believes, nevertheless, that this amendment serves a useful purpose by reinforcing the Administration's reduction plans in a functional area where overseas staffing is clearly excessive. As in the case of the reductions required under subsection (a), the Committee expects the Executive branch to keep it informed of its actions in carrying out this requirement.

Section 17. Prior Authorization Required. The basic authorizing legislation for the State Department provides that there shall be no

money appropriated for the Department without a prior authorization. There is a technical weakness in this provision, in that it does not prevent an appropriation bill from being passed; the simple act of passing an appropriation bill overcomes the prohibition against it.

Because the annual bills providing appropriations for State and USIA contain appropriations for a number of other agencies as well, there is often pressure to pass such bills even if the authorization process is not yet complete—if, for example, the authorization bill is in conference or has been vetoed.

To protect against money being spent without an authorization, the Foreign Relations Committee has originated provisions of law—for foreign aid and USIA—which prohibit money being obligated, even if appropriated, unless there has been an authorization. This has not yet been done, however, for the State Department; and the provisions of section 17 would correct that deficiency.

Section 18. Time Extension on Reduction in U.S. Contribution to Certain U.N. Agencies. The fiscal year 1973 appropriation act for the Department of State (P.L. 92-544) established the requirement that, beginning in calendar year 1974, the U.S. provide no more than 25 percent of the budget of the United Nations or any affiliated agency. The Administration responded to that requirement by obtaining a reduction in the U.S. assessment to the United Nations itself, to the Food and Agriculture Organization, and to the International Center for the Study of the Preservation and Restoration of Cultural Property. The Administration has asked, however, for a one-year extension in reducing the U.S. contribution to three other agencies: (1) the International Civil Aviation Organization (ICAO); (2) the United Nations Educational, Scientific and Cultural Organization (UNESCO); and (3) the World Health Organization (WHO).

In the case of ICAO, calendar year 1974 is the final year of a three-year assessment scale that was adopted in 1971. In the case of UNESCO, assessments for 1974 were adopted in 1972. WHO scale for 1974 was adopted in 1973 on the basis of the latest UN scale then available.

It therefore seems reasonable to the Committee to provide an extension of one year for bringing the U.S. assessment in these agencies down to 25 per cent.

CHANGES IN EXISTING LAW

In compliance with paragraph 4 of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

Joint Resolution of January 29, 1955 (Public Law 84-4)

¶ A JOINT RESOLUTION Authorizing the President to employ the Armed Forces of the United States for protecting the security of Formosa, the Pescadores and related positions and territories of that area.

¶ Whereas the primary purpose of the United States, in its relations with all other nations, is to develop and sustain a just and enduring peace for all; and

Whereas certain territories in the West Pacific under the jurisdiction of the Republic of China are now under armed attack, and threats and declarations have been and are being made by the Chinese Communists that such armed attack is in aid of and in preparation for armed attack on Formosa and the Pescadores,

Whereas such armed attack if continued would gravely endanger the peace and security of the West Pacific Area and particularly of Formosa and the Pescadores; and

Whereas the secure possession by friendly governments of the Western Pacific Island chain, of which Formosa is a part, is essential to the vital interests of the United States and all friendly nations in or bordering upon the Pacific Ocean; and

Whereas the President of the United States on January 6, 1955, submitted to the Senate for its advice and consent to ratification a Mutual Defense Treaty between the United States of America and the Republic of China, which recognizes that an armed attack in the West Pacific area directed against territories, therein described, in the region of Formosa and the Pescadores, would be dangerous to the peace and safety of the parties to the treaty: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President of the United States be and he hereby is authorized to employ the Armed Forces of the United States as he deems necessary for the specific purpose of securing and protecting Formosa and the Pescadores against armed attack, this authority to include the securing and protection of such related positions and territories of that area now in friendly hands and the taking of such other measures as he judges to be required or appropriate in assuring the defense of Formosa and the Pescadores.

This resolution shall expire when the President shall determine that the peace and security of the area is reasonably assured by international conditions created by action of the United Nations or otherwise, and shall so report to the Congress.]

**Department of State Appropriations Authorization Act of
1973 (Public Law 93-126)**

* * * * *

AMBASSADORS AND MINISTERS

Sec. 6. From and after the date of enactment of this Act, each person appointed by the President as ambassador or minister shall, at the time of his nomination, file with the Committee on Foreign Relations of the Senate and the Speaker of the House of Representatives a report of contributions made by such person and by members of his immediate family during the period beginning on the first day of the fourth calendar year preceding the calendar year of his nomination and ending on the date of his nomination, which report shall be verified by the oath or affirmation of such person, taken before any officer authorized to administer oaths. The Chairman of the Committee on Foreign Relations of the Senate shall have printed in the Congressional Record each such report. As used in this section, the term "con-

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

tribution" has the same meaning given such term by section 301(e) of the Federal Election Campaign Act of 1971, and the term "immediate family" means a person's spouse, and any child, parent, grandparent, brother, or sister of such person and the spouses of any of them.

* * * * *

TITLE 5, UNITED STATES CODE

* * * * *

§ 5315. Positions at level IV

Level IV of the Executive Schedule applies to the following positions, for which the annual rate of basic pay is \$38,000:

* * * * *

(98) Director, International Materials Bureau, Department of State.

* * * * *

§ 5924. Cost-of-living allowances

The following cost-of-living allowances may be granted, when applicable, to an employee in a foreign area:

* * * * *

(4) An education allowance or payment of travel costs to assist an employee with the extraordinary and necessary expenses, not otherwise compensated for, incurred because of his service in a foreign area or foreign areas in providing adequate education for his dependents, as follows:

* * * * *

(B) The travel expenses of dependents of an employee to and from a school in the United States to obtain an American secondary or undergraduate college education, not to exceed one annual trip each way for each dependent for the purpose of obtaining each type of education. An allowance payment under subparagraph (A) of this paragraph (4) may not be made for a dependent during the 12 months following his arrival in the United States for secondary education under authority contained in this subparagraph (B). Notwithstanding section 5921(6) of this title, travel expenses, for the purpose of obtaining undergraduate college education, may be authorized under this subparagraph (B), under such regulations as the President may prescribe, for dependents of employees who are citizens of the United States stationed in the Canal Zone.

Foreign Service Act of 1946, as amended

* * * * *

TITLE V. APPOINTMENTS AND ASSIGNMENTS

* * * * *

PART H. ASSIGNMENT OF FOREIGN SERVICE PERSONNEL

* * * * *

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

Sec. 516. (a) Except as otherwise provided in subsection (c) of this section, each Foreign Service officer shall, between his eighth and fifteenth years of service as such an officer, be assigned in the continental United States for significant duty with State or local governments, public schools, community colleges, or other public organizations designated by the Secretary. Such assignment shall be for a period of not less than twenty-two consecutive months or more than twenty-six consecutive months. The Foreign Service officer shall be entitled to state a preference with respect to the type of public organization to which he would like to be assigned but may not state a preference with respect to the geographical location to which he would like to be assigned.

(b) A Foreign Service officer on assignment under this section shall be deemed to be on detail to a regular work assignment in the Service, and the officer remains an employee of the Department while so assigned. However, any period of time an officer is assigned under this section shall not be included as part of any period that the officer has remained in a class for purposes of determining whether he is to be selected out under section 533 of this Act, or regulations promulgated pursuant thereto. The salary of the officer shall be paid from appropriations made available for the payment of salaries of officers and employees of the Service.

(c) The Secretary may exempt a Foreign Service officer from assignment under this section if the Secretary determines in writing, with reasons, that it is in the interest of the United States not to so assign that officer. Such determination, including the reasons, shall be promptly transmitted to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives.

(d) Any period of time that a Foreign Service officer serves on an assignment under this section shall also be considered as a period of time that the officer was assigned for duty in the continental United States for purposes of section 572 of this Act.

(e) For the purpose of this section—

(1) "State" means—

(A) a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and a territory or possession of the United States; and

(B) an instrumentality or authority of a State or States as defined in subparagraph (A) of this paragraph (1) and a Federal-State authority or instrumentality; and

(2) "local government" means—

(A) any political subdivision, instrumentality, or authority of a State or States as defined in subparagraph (A) of paragraph (1); and

(B) any general or special purpose agency of such a political subdivision, instrumentality, or authority.

Act of August 1, 1956, as amended (22 U.S.C. 2669)

* * * * *

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

SEC. 15. **[a]** Notwithstanding any other provision of law, no appropriation shall be made to the Department of State under any law for any fiscal year commencing on or after July 1, 1972, unless previously authorized by legislation hereafter enacted by the Congress. The provisions of this subsection shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the Department as authorized by law. **]**

(a) (1) Notwithstanding any provision of law enacted before the date of enactment of the Department of State USIA Authorization Act, fiscal year 1976, no money appropriated to the Department of State under any law shall be available for obligation or expenditure with respect to any fiscal year commencing on or after July 1, 1972—

(A) unless the appropriation thereof has been authorized by law enacted on or after February 7, 1972; or

(B) in excess of an amount prescribed by law enacted on or after such date.

(2) To the extent that legislation enacted after the making of an appropriation to the Department of State authorizes the obligation or expenditure thereof, the limitation contained in paragraph (1) shall have no effect.

(3) The provisions of this section—

(A) shall not be superseded except by a provision of law enacted after February 7, 1972, which specifically repeals, modifies, or supersedes the provisions of this section; and

(B) shall not apply to, or affect in any manner, permanent appropriations, trust funds, and other similar accounts administered by the Department as authorized by law.

(b) The Department of State shall keep the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives fully and currently informed with respect to all activities and responsibilities within the jurisdiction of these committees. Any Federal department, agency, or independent establishment shall furnish any information requested by either such committee relating to any such activity or responsibility.

SEC. 16. *(a) The United States Ambassador to a foreign country shall have full responsibility under the President for the direction, coordination, and supervision of all United States Government officers and employees in that country, except for personnel under the command of a United States area military commander.*

(b) The Ambassador shall keep himself fully and currently informed with respect to all activities and operations of the United States Government within that country. He shall insure that all Government officers and employees in that country, except for personnel under the command of a United States area military commander, comply fully with his directives.

(c) Any department or agency having officers or employees in a country shall keep the United States Ambassador to that country fully and currently informed with respect to all activities and operations of its officers and employees in that country. The department or agency shall also insure that all of its officers and employees, except

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

for personnel under the command of a United States area military commander, comply fully with all applicable directives of the Ambassador.

Sec. 17. Proposed legislation by the executive branch requesting authorizations or appropriations relating to foreign affairs (other than proposed legislation requesting authorizations for emerging, supplemental, or deficiency appropriations) shall be submitted for the ensuing fiscal year and shall be submitted as—

(1) a proposed bill or joint resolution authorizing appropriations for the conduct of foreign affairs, which shall include separate enumerations of requested authorizations for—

(A) the administration of foreign affairs, including separate enumerations for the administration of foreign affairs by the Department of State, the Arms Control and Disarmament Agency, and Foreign Service buildings;

(B) international organizations, conferences, and commissions;

(C) information and cultural exchanges, including separate enumerations of authorizations for the United States Information Agency, educational exchanges, and the Board for International Broadcasting; and

(D) any other program or activity with respect to foreign affairs which is not a program or activity providing foreign economic or military assistance, and is made available or is to be made available under a law within the jurisdiction of the Committee on Foreign Relations and the Committee on Foreign Affairs;

(2) a proposed bill or joint resolution authorizing appropriations for foreign economic assistance, which shall include separate enumerations of requested authorizations for—

(A) each program and activity involving bilateral assistance;

(B) each program and activity involving multilateral assistance;

(C) the Peace Corps;

(D) migration and refugee assistance; and

(E) any other program or activity providing foreign economic assistance, and is made available or is to be made available under such a law; and

(3) a proposed bill or joint resolution authorizing appropriations for military assistance, and is made available or is to be made available under such a law.

(A) military loan and grant assistance;

(B) military credit sales and guarantees;

(C) security supporting assistance; and

(D) any other program or activity providing foreign military assistance, and is made available or is to be made available under such a law.

Sec. 18. (a) No funds may be obligated or expended under any provision of law to carry out any agreement entered into, on or after the date of enactment of this section, between the United States Government and the government of any foreign country (1) providing

Approved For Release 2002/01/10 : CIA-RDP75B00380R000800080001-9

for the establishment of a major military installation at which units of the Armed Forces of the United States are to be assigned to duty (2) renewing, or extending the duration of, any such agreement, or (3) making changes which significantly alter the terms of such agreement, unless the Congress approves that agreement by law, or, if a treaty, the Senate advises and consents to that treaty.

(b) For purposes of this section, "a major military installation" means an installation with an assigned, authorized, or detailed personnel strength in excess of five hundred.

Sec. 19. Commencing thirty days after the date of enactment of this section, no steps shall be taken to implement any agreement signed on or after January 1, 1974, by the United States and the United Kingdom, relating to the establishment or maintenance by the United States of any military base on Diego Garcia, until the agreement is submitted to the Congress and approved by law.

Act of May 26, 1949, as amended (22 U.S.C. 2652)

* * * * *

SEC. 6. (a) There is established within the Department of State an International Materials Bureau, to be headed by a Director. The Director shall be appointed by the Secretary of State.

(b) The Bureau shall be responsible for continuously reviewing (1) the supply, demand, and price, throughout the world, of basic raw and processed materials (including agricultural commodities), and (2) the effect of United States Government programs and policies (including tax policy) in creating or alleviating, or assisting in creating or alleviating, shortages of such materials. In conducting such review, the Bureau shall obtain information with respect to—

(A) the supply, demand, and price of each such material in each major importing, exporting, and producing country and region of the world in order to understand long-term and short-term trends in the supply, demand, and price of such materials;

(B) projected imports and exports of such materials on a country-by-country basis;

(C) unusual patterns or changes in connection with the purchase or sale of such materials;

(D) a list of such materials in short supply and an estimate of the amount of shortage;

(E) international geological, geophysical, and political conditions which may affect the supply of such materials; and

(F) other matters that the Bureau considers appropriate in carrying out this section.

(c) In conducting its review, the Bureau shall utilize the most advanced technology available, such as the Earth Resources Conservation System.

(d) Not later than fifteen days after the end of each month, the Bureau shall submit a report to the President and the Congress, with separate copies to the Committee on Foreign Relations of the Senate and the Office of Technology Assessment, for such month with respect to the matters reviewed by it in accordance with subsection (b).

(e) Not later than sixty days after the end of each year, the Bureau shall submit a report to the President and the Congress, with separate copies to the Committee on Foreign Relations of the Senate and the Office of Technology Assessment, on its activities for such year. Such report shall also include projections regarding the supply, demand, and price of each such material for the five years following such year, based upon the information obtained by the Bureau in making its review under subsection (b), and such recommendations as the Bureau considers appropriate, including recommended changes in the policies and programs of the United States Government or international, foreign, and domestic entities which changes would tend to increase the supply of, or decrease the demand for, or the price of, such materials.

(f) (1) The Secretary shall appoint an Advisory Committee of fifteen eminent members to advise the Director with respect to the functions of the Bureau under this section. The Committee shall select its own Chairman and Vice Chairman.

(2) Each member of the Committee who is appointed from private life shall receive \$125 per diem (including traveltime) for each day he is engaged in the actual performance of his duties as a member of the Committee. A member of the Committee who is in the legislative, executive, or judicial branch of the United States Government shall serve without additional compensation. All members of the Committee shall be reimbursed for travel, subsistence, and other necessary expenses incurred by them in the performance of their duties.

(3) The Director shall provide such information, staff, and administrative assistance as may be necessary for the Committee to carry out its duties.

**United States Information and Educational Exchange Act
of 1948, as amended**

* * * * *

SEC. 1008. The Secretary shall submit to the Congress [semianual] annual reports of expenditures made and activities carried on under authority of the Act, [inclusive of] including appraisals and measurements, where feasible, as to the effectiveness of the several programs in each country where conducted.

SUPPLEMENTAL VIEWS OF SENATOR PEARSON

In his March 12 testimony before the Foreign Relations Committee, Mr. James Keogh, Director of the United States Information Agency stated, "In a major new emphasis, USIA in 1973 set out on an effort to support the program of the United States Government in the economic field. . . . We regard this new emphasis, which we are adding to our larger and more traditional role, as part of an effort to mobilize the entire foreign affairs establishment in support of U.S. economic interests."

I do not believe that the United States Information Agency should assume responsibility for supporting the foreign economic policies of the United States government. To the extent that the national interest of this nation requires our government to promote and protect American foreign economic interests, other agencies of the U.S. government should formulate and implement our policies and programs.

The Departments of State, Commerce and Treasury as well as the Export-Import Bank and the Overseas Private Investment Corporation have both the means and the traditional responsibility for developing international trade, monetary, and investment policies. If these agencies are not effectively fulfilling their responsibilities to support the economic interests of this nation, the Congress and Administration should act to see that they do so.

In my view, the development of a major new USIA emphasis in the economic policy will at best duplicate the efforts of existing agencies and at worst divert resources from those programs of USIA which it can perform better than any other agency in the government.

I understand that USIA is undertaking a serious and worthwhile effort to redefine its goals and mission for the 1970's and beyond. Further, I understand that protection and promotion of American economic interests are legitimate objectives of American foreign policy. However, I believe that USIA can more effectively "Tell America's story to the World" by emphasizing its current programs than by launching new ones which duplicate the efforts of other agencies of our government.

(31)

○